

RB:MEC:mec
F.#2008R02244

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA

-against-

TROY D. STEVENS, JR.,

Defendant. IRIZARRY, J.

SCANLON, M.J.

- - - - - X

THE GRAND JURY CHARGES:

At all times relevant to this Indictment, unless
otherwise indicated:

INTRODUCTION

I. The Kinpit Partnership
and the St. Johns Partnership

A. The Kinpit Partnership

1. Kinpit Associates, L.P., formerly known as Kinpit Associates, was a New York limited partnership (the "Kinpit Partnership"). Between 1974 and 2012, the Kinpit Partnership managed and owned residential rental property (the "Kinpit Premises") pursuant to a written, limited partnership agreement (the "Genuine Kinpit Partnership Agreement").

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U.S. DISTRICT COURT
EASTERN DISTRICT
OF NEW YORK

I N D I C T M E N T

CR 12-0634

(T. 18, U.S.C., §§
981(a)(1)(C), 982,
1344 and 3351 et seq.;
T. 21, U.S.C., § 853(p);
T. 26, U.S.C., §§ 7206(1)
and 7206(2); T. 28, U.S.C.,
§ 2461(c))

2. The defendant TROY D. STEVENS, JR. was a general partner in the Kinpit Partnership, which also had several limited partners.

B. The St. Johns Partnership

3. St. Johns I Associates was a New York limited partnership (the "St. Johns Partnership"). Between 1981 and 2012, the St. Johns Partnership managed and owned residential rental property (the "St. Johns Premises") pursuant to a written, limited partnership agreement (the "St. Johns Partnership Agreement").

4. The defendant TROY D. STEVENS, JR. was a general partner in the St. Johns Partnership, which also had several limited partners.

II. The Defendant's Scheme to Defraud
North Fork Bank and Capital One Bank

A. North Fork and Capital One

5. Between 2000 and 2008, North Fork Bank ("North Fork"), was a federally-insured financial institution, which was located in Melville, New York. In 2008, North Fork Bank was acquired by Capital One Bank NA ("Capital One"), which was a federally-insured financial institution with its headquarters in McLean, Virginia.

B. The Genuine and
Fake Kinpit Partnership Agreements

6. Under the Genuine Kinpit Partnership Agreement, the defendant TROY D. STEVENS, JR. was authorized to refinance the Kinpit Premises only with the approval of fifty-one percent of the limited partners.

7. Between approximately 2000 and 2005, without the knowledge and approval of the limited partners, STEVENS created a fake written limited partnership agreement for the Kinpit Partnership (the "Fake Kinpit Partnership Agreement"). The Fake Kinpit Partnership Agreement stated that the approval of fifty-one percent of the limited partners was not required in order to refinance the Kinpit Premises. Instead, the Fake Partnership Agreement stated that STEVENS alone was authorized to refinance the Kinpit Premises.

C. The North Fork Loans Obtained
By the Defendant Through the
Use of the Fake Kinpit Partnership Agreement

8. Between approximately 2000 and 2005, the defendant TROY D. STEVENS, JR. fraudulently obtained six loans and mortgages for the Kinpit Partnership (the "Kinpit Loans"). In connection with the Kinpit Loans, STEVENS submitted to North Fork: (1) the Fake Kinpit Partnership Agreement; and (2) consent forms falsely stating that he was acting with the authority of

the Kinpit Partnership. On behalf of the Kinpit Partnership, STEVENS obtained the Kinpit Loans on the dates indicated and in the amounts set forth below:

Date	Amount
July 7, 2000	\$2,600,000
March 8, 2001	\$500,000
March 14, 2002	\$3,475,000
May 16, 2003	\$650,000
October 14, 2003	\$4,600,000
May 9, 2005	\$600,000

9. The March 14, 2002 Kinpit Loan consisted of a new loan of \$429,377.30 together with a consolidation of the pre-existing Kinpit Loans.

10. The October 14, 2003 Kinpit Loan consisted of a new loan of \$533,765.60 together with a consolidation of the pre-existing Kinpit Loans.

11. In approximately June 2011, STEVENS and the Kinpit Partnership defaulted on the October 14, 2003 and the May 9, 2005 Kinpit Loans for failing to make monthly principal and interest payments. As of February 1, 2012, the outstanding amount owed on the Kinpit Loans was approximately \$4,800,393.

III. The Defendant's Filing of
False Individual Tax Returns

12. For the tax years 2003, 2004 and 2005, the defendant TROY D. STEVENS, JR. filed false tax returns by failing to declare and to pay income taxes on money he funneled out of the Kinpit Partnership and the St. Johns partnership into his personal bank accounts.

A. The Funneling of Kinpit Partnership
and St. Johns Partnership Funds
Through the Dawmich Account to Stevens

13. STEVENS owned and operated Dawmich Industries, Inc. ("Dawmich"), a building maintenance company. Dawmich maintained an account at Chase Bank (the "Dawmich Account"). The funds in the Dawmich Account consisted, in part, of compensation for services rendered by Dawmich to the Kinpit Partnership and to the St. Johns Partnership.

14. Between approximately 2003 and November 2011, STEVENS regularly transferred the above-described funds from the Dawmich Account to his personal account which he jointly held with his spouse at Chase Bank (the "STEVENS Chase Account").

B. The Funneling of St. Johns Partnership Funds Directly to Stevens

15. Between approximately 2004 and 2005, STEVENS also deposited a series of checks drawn from the St. Johns Partnership account at HSBC Bank into several of his personal accounts at Capital One Bank and HSBC Bank (the "STEVENS Capital One/HSBC Accounts").

C. STEVENS's False IRS Forms 1040

16. On or about the dates listed below, at the locations indicated, STEVENS failed to report as income on his United States Internal Revenue Service ("IRS") Individual Income Tax Return Form 1040s ("IRS Forms 1040"), for the tax years 2003, 2004 and 2005, the funds deposited into the STEVENS Chase Account and the STEVENS Capital One/HSBC Accounts in the amounts indicated below:

Tax Year	Approximate Date Filed And Location Of Filing	Taxable Income Reported On IRS Form 1040	Unreported Income
2003	December 23, 2008, Holtsville, New York	\$0	\$399,000
2004	January 8, 2009, Holtsville, New York	\$0	\$618,053
2005	June 7, 2010, Kansas City, Missouri	\$0	\$390,000

COUNTS ONE THROUGH THREE
(Bank Fraud)

17. The allegations contained in paragraphs 1 through 16 are realleged and incorporated as though fully set forth in this paragraph.

18. In or about and between 2000 and 2011, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant TROY D. STEVENS, JR. did knowingly and intentionally execute a scheme and artifice to defraud a financial institution, to wit, Capital One, formerly North Fork, the deposits of which were insured by the Federal Deposit Insurance Corporation, and to obtain money, funds and credit owned by and under the custody and control of said financial institution by means of materially false and fraudulent pretenses, representations and promises.

19. On or about the dates set forth below, for the purpose of executing the scheme and artifice, the defendant together with others, obtained the following Kinpit Loans:

Count	Date	Amount of Loan
One	May 16, 2003	\$650,000
Two	October 14, 2003	\$4,600,000
Three	May 9, 2005	\$600,000

(Title 18, United States Code, Sections 1344 and 3551 et seq.)

COUNTS FOUR AND FIVE
(Making and Subscribing
to False Individual Tax Returns)

20. The allegations contained in paragraphs 1 through 16 are realleged and incorporated as though fully set forth in this paragraph.

21. On or about the dates listed below, within the Eastern District of New York and elsewhere, the defendant TROY D. STEVENS, JR. did knowingly and willfully make and subscribe to the IRS Forms 1040 for the tax years identified, filed with the IRS Centers indicated, which were each verified by a written declaration that was made under the penalties of perjury and which STEVENS then and there well knew and believed was not true and correct as to every material matter. Specifically, the IRS Forms 1040 included false entries for taxable income, when the defendant then and there well knew and believed that he earned well in excess of that amount of income, and owed well in excess of the stated amount of taxes.

Count	Tax Year	Approximate Date Filed and Location of Filing	Taxable Income Reported on IRS Form 1040	Unreported Income	Tax Due and Owing
Four	2003	December 23, 2008, Holtsville, New York	\$0	\$399,000	\$10,686
Five	2005	June 7, 2010, Kansas City, Missouri	\$0	\$390,000	\$149,350

(Title 26, United States Code, Section 7206(1); Title 18, United States Code, Sections 3551 et seq.)

COUNT SIX

(Aiding and Assisting in the Preparation of a False Individual Tax Return)

22. The allegations contained in paragraphs 1 through 16 are realleged and incorporated as though fully set forth in this paragraph.

23. On or about January 8, 2009, within the Eastern District of New York and elsewhere, the defendant TROY D. STEVENS, JR. did knowingly and willfully aid and assist in and procure, counsel and advise the preparation and presentation to the IRS, under the internal revenue laws, of a return, affidavit, claim and other document, to wit: the defendant's IRS Form 1040 for the 2004 tax year, filed in Holtsville, New York, which was false and fraudulent as to material matters, in that the return claimed "\$0" taxable income, when, as the defendant then and

there well knew and believed, he earned well in excess of that amount of income and owed well in excess of the stated amount of taxes.

(Title 26, United States Code, Section 7206(2); Title 18, United States Code, Section 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATIONS AS TO COUNTS ONE THROUGH THREE

24. The allegations contained in paragraphs 1 through 16, 18 and 19 are realleged and incorporated as though fully set forth in this paragraph.

25. The United States hereby gives notice to the defendant TROY D. STEVENS, JR. charged in Counts One through Three that, upon his conviction of any such offenses, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), which require any person convicted of any such offenses to forfeit any property constituting or derived from proceeds obtained directly or indirectly as a result of such offenses.

26. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third party;

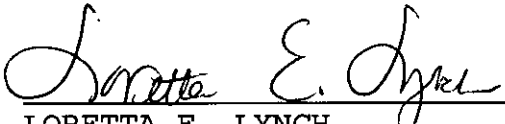
(c) has been placed beyond the jurisdiction of the court;

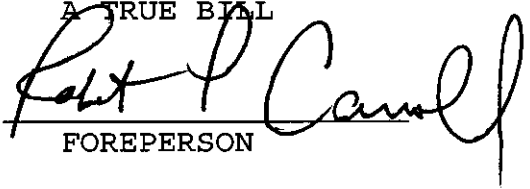
(d) has been substantially diminished in value; or

(e) has been commingled with other property that cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 28, United States Code, Section 2461(c); Title 18, United States Code, Sections 981(a)(1)(C) and 982; Title 21, United States Code, Section 853(p))


LORETTA E. LYNCH
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

A TRUE BILL

FOREPERSON

UNITED STATES DISTRICT COURT

EASTERN DISTRICT of NEW YORK

Criminal Division

THE UNITED STATES OF AMERICA

TROY D. STEVENS, JR.

Defendant.

I N D I C T M E N T

Cr. No. _____

(T. 18, U.S.C., §§ 981(a)(1)(C), 982, 1344 and
3551 et seq.; T. 21, U.S.C., § 853(p);
T. 26, U.S.C., § 7206(1) and 7206(2);
T. 28, U.S.C., § 2461(c))

A true bill.


Foreman

Filed in open court this _____ day,

of _____ A.D. 20____

Clerk

Bail, \$ _____

AUSA Martin E. Coffey, (718) 254-6157